



Panhandle News

BENEWAH, BONNER, BOUNDARY, KOOTENAI & SHOSHONE COUNTIES

EMPLOYMENT NEWS

Halfway through 2007 it looks like it's another good year for the Idaho Panhandle.

Tourism will likely shatter last year's record for visitors after the best winter season ever and prospects for the same level of activity this summer. Boosting tourism are Silverwood Theme Park's doubling of its water park, continued expansion at the Coeur d'Alene and Kootenai Tribes' casinos and the current exchange rate of 94 percent that gives Canadians the most purchasing power their dollar has had in Idaho in 30 years. In addition, the Sandpoint and Coeur d'Alene areas, the Selkirk International Loop and the two major rails-to-trails corridors — the Route of the Hiawatha and the Trail of the Coeur d'Alenes — have received the highest amount of national attention ever.

Almost every industry is set to grow or at least hold its own this year. Construction employment is slightly above its record-shattering 2006 level as residential construction charges forward in most of the region, and large commercial and industrial projects are under way especially in Kootenai County. With metal prices strong, high-paying mining jobs are returning to the Silver Valley at the Galena and Lucky Friday mines, the Sunshine Mine which is expected to reopen this winter, in new exploration and in Coeur d'Alene at mining corporate headquarters. Growth in manufacturing has eased after a period of spectacular expansion, especially in the Sandpoint area. But the region is expecting new hiring for the plants Berg Integrated System and Biopol are building in Post Falls. Call center expansion has abated. Only the U.S. Bank credit card customer service operation in Coeur d'Alene is adding workers, about 20 a month. Some real estate, title insurance and mortgage lending jobs are being lost as home sales soften, but banks continue to add branches, and other financial services are expanding to meet demand of the growing population. Local and state government employment is edging up at

Panhandle Table 1: Coeur d'Alene MSA Labor Force & Employment Kootenai County

	May 2007*	Apr 2007	May 2006	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	71,130	70,520	70,210	0.9	1.3
Unemployed	1,830	2,210	2,640	-17.2	-30.7
% of Labor Force Unemployed	2.6	3.1	3.8		
Total Employment	69,300	68,310	67,570	1.4	2.6
<i>Unadjusted</i>					
Civilian Labor Force	70,790	69,540	69,940	1.8	1.2
Unemployed	1,370	2,450	2,210	-44.1	-38.0
% of Labor Force Unemployed	1.9	3.5	3.2		
Total Employment	69,420	67,090	67,730	3.5	2.5
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	57,440	56,070	55,670	2.4	3.2
Goods-Producing Industries	11,470	11,040	11,140	3.9	3.0
Natural Resources & Mining	500	410	440	22.0	13.6
Construction	6,170	5,880	6,030	4.9	2.3
Manufacturing	4,800	4,750	4,670	1.1	2.8
Wood Product Manufacturing	950	930	1,010	2.2	-5.9
Other Manufacturing	3,850	3,820	3,660	0.8	5.2
Service-Providing Industries	45,970	45,040	44,530	2.1	3.2
Trade, Transportation, & Utilities	10,880	10,840	10,150	0.4	7.2
Wholesale Trade	1,580	1,570	1,470	0.6	7.5
Retail Trade	8,180	8,140	7,600	0.5	7.6
Transportation, Warehousing & Utilities	1,120	1,130	1,080	-0.9	3.7
Information	930	930	1,000	0.0	-7.0
Financial Activities	3,130	3,080	2,960	1.6	5.7
Professional & Business Services	6,320	6,300	6,150	0.3	2.8
Educational & Health Services	5,500	5,480	5,360	0.4	2.6
Leisure & Hospitality	7,890	7,270	7,690	8.5	2.6
Other Services	1,470	1,460	1,500	0.7	-2.0
Government Education	3,750	3,810	3,750	-1.6	0.0
Government Administration	5,280	5,080	5,210	3.9	1.3
Government Tribes	820	790	760	3.8	7.9

* Preliminary estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

about the same rate as the population. Transportation is still growing, although more slowly than during the last couple of years, as the region exports more manufactured goods and brings in more goods to supply local wholesalers and retailers. As the population over 65 quickly increases, health care and assisted living services jobs continue to grow twice as fast as other jobs.

For the last 15 months, the darkest cloud on the horizon has been the downturn in U.S. residential construction and its potential effects on the Panhandle's lumber industry. During the last couple of years, U.S. housing starts have dropped from a near-record high of 2.1 million in 2005 to a seasonally adjusted rate of 1.5 million in May. Not surprisingly, this has

reduced the demand for lumber and other wood products, depressing lumber prices and reducing wood products employment. Lumber prices fell from \$400-plus per 1,000 board feet in mid-2005 to less than \$300 by September 2006. Since 2005, wood products manufacturing employment in the Panhandle has fallen from 2,900 jobs to 2,600 jobs. About half of the workers affected were permanently laid off while the rest of the contraction was achieved through attrition as workers retired or left for other jobs and were not replaced. In addition, several mills have shut down for a couple of weeks at a time, putting stress on mill workers and their communities.

Perhaps the most extreme pressures are over. In the last half of June, the price of lumber rose above \$300 for the first time since September. The Random Lengths composite price for framing lumber rose to \$311 in the last week of June. Although that is still a relatively low price, mills are glad to see the price moving in the right direction again. Every dollar increase is a dollar closer to profitability for them.

AREA DEVELOPMENTS

BONNER COUNTY

- Dennis Pence, chief executive and chairman of Coldwater Creek, probably has affected Bonner County's economy more than any other individual. He founded its largest private employer, national retailer Coldwater Creek, which employs about 600 people at its headquarters in Ponderay and its store in Sandpoint. He played the key role in creating the Bonner County Economic Development Corp., a nonprofit organization which helps existing businesses grow and recruits new businesses to the community. Now, through his nonprofit Wild Rose Foundation, he has spearheaded a drive that could lead to the University of Idaho establishing a campus in Sandpoint in the next couple of years.

A proposal to open a University of Idaho campus in Sandpoint using private money needs only the approval of the state Board of Education, and board members expressed support when they heard the initial proposal in February. The board will consider the final proposal at its August meeting. If all goes smoothly, the new campus could begin offering classes in fall 2009.

The nonprofit Wild Rose Foundation will buy a 77-acre site from the university for \$6.25 million, construct the buildings and help pay for course offerings. The foundation's estimated contribution is around \$30 million.

If the proposal is approved, university extension and research programs now located on that tract will move to a nearby 15-acre parcel provided by the foundation.

The University of Idaho campus also will provide space where North Idaho College and possibly Lewis-Clark State College and Idaho State University can offer technical, medical and other classes.

A portion of the 77-acre property would be given to the Lake Pend Oreille School District for a new high school but would revert to the university if construction does not start within 20 years. Proximity to the campus would allow high school students to easily participate in dual enrollment and technical education programs.

The campus initially will include an administrative building with classroom space, a performing arts building, a student union and an agriculture and biological sciences building. Eventually more classrooms and some dormitories would be added.

- Another Sandpoint innovator also has made the world a better place. Local inventor, Dr. Forrest Bird, was recently interviewed by 60 Minutes correspondent Morley Safer for a segment on his invention of the first reliable mechanical ventilator in 1955. Over the years, he developed improved ventilators including the Baby-Bird, the first ventilator used in neonatal units. The interview will air in September. The segment also will feature stories about some of the thousands of lives saved by his inventions. Safer reportedly was impressed by the high energy of the 85-year-old, who is as well known in aviation circles as in medical circles. As past president of the Civil Aviation Medical Association, Bird is an active FAA-certified flight instructor and an aeronautical engineer. The long-time resident of Sandpoint owns Percussionaire, a Sandpoint manufacturing operation making respirators and employing about 35 people.

Bird and his wife, Pamela, opened a museum on their ranch south of Sandpoint July 7. The Bird Aviation Museum and Invention Center features aviators, astronauts and inventors — several of whom attended the opening. In addition to exhibits about inventors and aviators, the museum also shows 21 vintage aircraft and several vintage automobiles from the Birds' collection. With a state-of-the-art kitchen and table seating for up to 250, the museum also will be available for conferences, weddings and other special occasions. The 16,000-square-foot museum also has a gift shop. To learn more about the museum and aviators and innovators who have changed the world, go to www.birdaviationmuseum.com.

- Susan and Harold Smith, who once owned Sandpoint's famous Christmas store and the Hawn-Smith shop that manufactured glass hummingbirds in Ponderay, recently opened a new business near the federal building in Sandpoint. Hawn-Smith Laser puts laser engravings of logos, pictures and personal artwork on t-shirts, signs, awards and gifts.

- “Into the Garden Up to the Lake” is the name of one of Oldtown’s newest businesses. Opened in May by Elaine Peterson, it complements her family’s business, Riversong Landscape Materials. The new business offers creative furniture, art work and collectibles for yards and gardens. Oldtown is near the Idaho-Washington border.

BOUNDARY COUNTY

- Welco of Idaho, which makes Western red cedar boards for fences, announced in mid-June that it was shutting down for two weeks, and that when it re-opened July 9 it would switch from two 40-hour shifts to one 50-hour shift, eliminating 24 of the mill’s 83 jobs. A year ago, before U.S. housing starts had fallen so sharply, the mill employed more than 100.

Time will tell whether those job losses reflect just a low point in the current housing cycle or are part of the long-term decline of the timber industry. The county’s other large mill, the Riley Creek lumber mill in Moyie Springs, permanently laid off 65 people last summer in response to plummeting lumber prices. In 2003, Louisiana-Pacific closed its Bonners Ferry mill that employed about 130 people. The net result is that mill jobs in Boundary County have been cut in half since 2002. Today, mills employ about 200 people. Despite the difficulties of losing high-paying jobs in its traditional mainstay industry, the county’s economy continues to grow and diversify.
- The transition from traditional mill jobs to more diverse occupations is prompting many Boundary County residents to go back to school. Just one year after North Idaho College opened its Bonners Ferry outreach campus in a two-room facility, it announced plans to add three more classrooms, upgrade to a high-speed, broadband network and install at least 16 new computers in a remodeled computer laboratory. The additions should be ready before classes start in late August. The improved networking capabilities will allow the college to include a new interactive video conferencing room with access to its Coeur d’Alene, Post Falls and Ponderay campuses. It will also allow Bonners Ferry High School students to dual enroll in college classes that earn them both high school and college credits.
- Gene and Ruth Perry have transformed a brick schoolhouse built in 1912 into Northside Bed ‘N Breakfast. The schoolhouse that overlooks much of Bonners Ferry is on the National Register of Historic Places and it offers a cozy, elegant atmosphere.
- The Selkirk International Loop has shifted its promotional effort from the new \$1 million visitor center that just opened in Bonners Ferry to the city hall so it can provide more space for visitors. The city is leasing the space to the organization to promote the 280-mile

scenic route that circles from the Priest River and Sandpoint areas into Bonners Ferry up to southern British Columbia and then south through northeastern Washington back to Priest River. Several travel writers recently toured the loop, and over the next few months articles about the loop will appear in travel magazines with an estimated readership of 1.5 million.

KOOTENAI COUNTY

- The Coeur d’Alene Casino near Worley is hiring 80 new workers. About 50 will be assigned as dealers for new video versions of blackjack and poker. The other 20 will help various departments keep up with growth. Once the hiring is completed, the casino and its hotel and golf course will employ about 950 people. The Coeur d’Alene Tribe started the casino 14 years ago as a bingo hall employing about 80 people. In addition to its Worley employees, the tribe employs another 500 people at its corporate headquarters, farm, retail and manufacturing businesses, medical clinic and wellness center and school in Benewah County. The tribe brings employees from the Coeur d’Alene-Post Falls area and the Spokane area by buses. To compete in a tight labor market influenced by Washington State’s minimum wage of \$7.93 per hour, the tribe recently raised entry-level wages at the casino from \$6.50 an hour to \$8.50 an hour.
- Gov. C.L. “Butch” Otter and many Kootenai County residents cheered Biopol Laboratory in late June when it broke ground on a 68,000-square-foot plant at Riverbend Commerce Park in Post Falls. Biopol is the world’s main supplier of plant pollens, molds and other allergens for allergy shots and tablets. Established in Spokane in 1976, Biopol grows many plant species on its own 600-acre farm in Plummer. Four years ago, Biopol was purchased by the biotech firm Vespa, which is owned by the Danish company ALK-Abello. The new \$30 million facility, which should be operating by 2009, will allow Biopol to consolidate staff currently working in five different buildings in Spokane and to expand from 29 to 50 workers. Six workers are involved with research and development of new products. Jobs Plus, the economic development organization that has attracted so many businesses to Kootenai County, hopes that more biotech firms will follow Biopol’s example.
- Under a five-year agreement with the group that sponsors Ironman triathlons, Coeur d’Alene has hosted an Ironman competition every June since 2003. According to the Coeur d’Alene Chamber of Commerce, that competition attracts 2,200 athletes, their trainers, friends and families and thousands of spectators for several days each year. The chamber estimates that about \$7 million is spent directly by those athletes and spectators. During Ironman, hotels throughout Kootenai County flash “no vacancy” signs. June is by far the slowest month of summer, and many hotels

are thrilled to fill up at that time. Given the benefits to the community, the city was delighted when another five-year agreement was signed, guaranteeing Coeur d'Alene will host the next five June triathlons.

- Daisy J's recently opened in a 2,700-square-foot space, formerly occupied by The Zoo in the shopping plaza next to the Coeur d'Alene Resort. The new shop sells furniture, home décor, candles, bath and body lotions, and wine and gift items.
- Hippie Kat, a store offering trendy and retro women's clothing and accessories, opened in June in downtown Coeur d'Alene.
- Two delis recently opened in Kootenai County. Wheat Montana, a 2,200-square-foot restaurant with a deli counter and bakery, employs about 15 people in Coeur d'Alene. Big Bear Deli, a new restaurant in Post Falls, serves soup, salads and sandwiches.
- AMS Character Warehouse recently began selling overstocked merchandise including jewelry, toys, clothing and collectibles featuring Mickey Mouse and other Disney characters from the Disney Resorts at reduced prices in the North Idaho Outlets in Post Falls. The warehouse, which travels from city to city, will only be open there until Aug. 12.
- Meineke Car Center, a franchise muffler and service shop, opened in June at the new Treaty Rock Center in Post Falls. It employs three mechanics.

SHOSHONE COUNTY

- Native American Services Corp. of Smelterville was recently awarded a \$40 million to \$100 million contract with Fort Gordon Army Base in Georgia as the general contractor providing management, engineering, emergency response, environmental remediation, facility maintenance and design-build services for large-scale federal and commercial projects. Founded in 2002 by Silver Valley residents Rusty Sheppard and Matthew James, Native American Services is a 51 percent Native American-owned and HUB zone-certified. It has performed Superfund cleanup in the Silver Valley, worked on fencing, signage and other incidentals on the Trail of the Coeur d'Alenes and currently is building condominiums in Kellogg. Its work for the U.S. Department of Homeland Security includes building the border patrol headquarters in Blaine, Wash., and the Federal Law Enforcement Training Center in Glynco, Ga. Its clients include the U.S. Navy, Marine Corps, Air Force, Bureau of Indian Affairs, Bureau of Land Management, Defense Intelligence Agency, General Services Administration, Department of Treasury, National Park Service and the state of Idaho. The company employs nearly 90 people at six offices nationwide. About a dozen people work at its headquarters in Smelterville. In 2006, the U.S. Small Business Administration named it Idaho's Minority Business of the Year.

- Silver Mountain Resort in Kellogg has considerable experience selling condominiums near the base of the gondola that takes people to its ski resort. In June, it began selling condominiums along the 18-hole championship golf course it plans to develop near the gondola base. Almost all of the 49 Galena Ridge golf community condo units were sold on June 23, the first day they were offered. "The demand for value-priced golf community home sites proved to be very strong. Compared to the real estate market throughout the rest of the country, the Silver Valley remains very appealing for people looking for second homes at a great value in a resort setting," said Silver Mountain Director of Sales and Marketing Stephen Lane. The Galena Ridge golf community could eventually grow to 900 residential units.
- Zanetti Bros. Inc., one of Shoshone County's largest manufacturers, is preparing to open its new pre-mix concrete plant to replace its current 54-year-old plant. Zanetti Bros., located in Osburn, employs about 35 people. With so much construction activity going on, the time seemed right for a state-of-the-art plant. The new plant should be up and running this autumn.
- To get the Zanetti crew and other Osburn residents hopping in the morning, Mike and Julean Capparelli recently opened Capparelli's Espresso. As well as serving organic, fair-trade Doma coffee, the coffee shop sells milkshakes, smoothies, hot dogs, muffins and other baked goods.
- Downtown Wallace, known for its charming brick buildings and interesting shops, recently welcomed a new addition to its line-up. "Harpers: A Contemporary Art Gallery" is the dream child of owner Ron Harpers. It features glass work, ceramics, mixed-media pieces, copper artwork, furniture, photographs and other creations by Northwest artists.
- TESH Inc., a nonprofit organization which has served developmentally disabled individuals in the Silver Valley for 30 years, closed the doors of its Kellogg office on June 15. Its Coeur d'Alene office will help Silver Valley residents with a few services, but most people are wondering who is going to provide the employment training, daily living skills instruction and adult activities that TESH provided. Also gone are the jobs provided by the thrift store in TESH's Kellogg office. TESH says stagnant Medicaid funding and failed attempts to keep the Kellogg operation afloat led to the closure.

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